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# STAFF NOTES:

# Latin American Trends

Secret

137

November 5, 1975
No. 0534/75

Approved for Release: 2018/10/26 C02693032

Approved for Release: 2018/10/26 C02693032



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Approved for Release: 2018/10/26 C02693032

Approved for Release: 2018/10/26 C02693032



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Argentina: Caving in to Terrorist Pressure . 1

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November 5, 1975



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Argentina: Caving in to Terrorist Pressure

The Argentine government has again acceded to union pressure, which now includes the very real threat of industrial terrorism, in granting a major wage hike. This action highlights the Peron administration's continued failure to come to terms with labor, its major supporter, and it destroys the agreement that Economy Minister Cafiero made last week with Peronist business and labor leaders to tie salaries to increases in productivity.

The very name "social truce" given to the agreement implies that there were no illusions about the intense conflict of interests generated by rapidly escalating inflation and other major economic problems. It would now seem that labor leaders responded to Cafiero's appeal without consulting their rank and file supporters, who would have been barred by the agreement from striking for six months and forced to forego cost-of-living wage increases which in many cases had been negotiated months ago.

Another complicating factor is the upsurge in industrial terrorism. The recent kidnaping of the production manager of the Mercedes Benz assembly plant is illustrative and may be only a hint of violence to come. Since October 8, some 4,000 workers at the plant have been striking on demands that go far beyond cost-of-lving wage adjustments. They want laid-off workers to be reinstated and their union to be allowed to reorganize itself democratically. The company could probably have settled with the workers long ago if they had not also been challenging the authority of the externally imposed union leaders--a factor that is fundamental to Peronist doctrine and over which the company has no control. So far the guerrilla kidnapers have refused to discuss the terms of release until the

November 5, 1975



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Approved for Release: 2018/10/26 C02693032


strike is settled, dismissed workers are reinstated and all employees are paid for their weeks on strike.

This is not an isolated incident. It appears that the Peronist leftist Montoneros are now active in all industrial centers of Argentina. Recently Ricardo Balbin, the major political opposition leader, took note of the situation by saying "the guerrillas are in the factories."

The abrogation of the social truce thus constitutes a defeat for union leaders as well as the government. The labor movement is being radicalized under them, and it may be only a matter of time before the middle class labor hierarchy is completely ignored or deposed by the mass of workers. Under Maria Estela Peron the government has shifted too far to the right for too long for Peronism to retain the ideological appeal it acquired under her late husband.

3.5(c)

November 5, 1975



Approved for Release: 2018/10/26 C02693032

Approved for Release: 2018/10/26 C02693032



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Approved for Release: 2018/10/26 C02693032

Approved for Release: 2018/10/26 C02693032



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